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RELEASED

JAN 4 1974

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The Honorable Thaddeus J. Dulski
Chairman, Committee on Post Office
and Civil Service
House of Representatives

R Dear Mr. Chairman:

Pursuant to your request of March 19, 1973, we examined the quality of mail service provided by the Denver, Colorado, Post Office. On July 23, 1973, we briefed staff members of the Subcommittee on Postal Facilities, Mail, and Labor Management on the results of our examination and gave them copies of the charts (encs. I to XI) used in the briefing. The Subcommittee later used this data during its hearings in Denver. As requested, this letter summarizes our briefing.

The Denver office generally had not met the Postal Service's mail delivery standards, but had improved its delivery performance after Christmas 1972. Sorting errors, which caused mail to be sent to the wrong destinations, and processing delays prevented significant quantities of first-class mail from being delivered on time. Also, although the volume of mail increased, the post office did not receive two letter sorting machines scheduled for delivery before the 1972 Christmas mail surge. These machines became operational in June 1973.

BACKGROUND

The Denver office handles about 1.3 billion pieces of mail annually, or about 3.5 million pieces daily. During postal fiscal year 1973, the number of mail processing employees in the Denver Post Office increased from 3,623 to 3,751--an increase of 3.5 percent--while the mail volume increased by about 57 million pieces--an increase of about 14 percent. To process this increased volume, the employees worked 817,009 hours overtime, an increase of 148,536 hours, or 22.2 percent, over the overtime worked in postal fiscal year 1972.

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In comparing January 1972 to January 1973, mail volume increased by about 15 percent, the number of employees remained the same, and overtime increased 50 percent. The lack of personnel and the increase in overtime have been cited as reasons for low employee morale.

Despite the increased mail volume, the Denver office increased its productivity. During postal fiscal year 1973 productivity rose from 700 to 735 total distributed pieces handled each man-hour, an increase of 5 percent.

DELIVERY STANDARDS

Postal Service standards state that 95 percent of first-class mail should be delivered in 1, 2, or 3 days, depending on its destination or the distance it must travel. (See enc. III.) For example, 95 percent of the mail originating in Denver and destined for any point in Colorado or Cheyenne, Wyoming, is scheduled for 1-day delivery. From December 9, 1972, through June 22, 1973, the standard was generally met, except during Christmas, in the Denver area. (See encs. V and VI.)

The amount of mail meeting the standard of 1-day delivery to sectional center areas outside the Denver area increased after Christmas 1972, but the standard was met only once during the fourteen 2-week periods beginning December 9, 1972. Mail going in the opposite direction met the standard during three of those 2-week periods. (See encs. VII and VIII.)

The Denver office was also generally unsuccessful in meeting its standards of 2- and 3-day delivery of 95 percent of interstate mail. From May 26 through June 22, 1972, only 87 and 92 percent of the mail to be delivered in 2 days and in 3 days, respectively, were delivered on time. Of the nine areas that were designated to receive 2-day delivery, only two met the standard. Of the 42 States designated to receive 3-day delivery, 20 had sufficient mail volume to enable the

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Postal Service to evaluate the results. The evaluation showed that the standard was met by six States.

DELAYED MAIL

Despite increased productivity significant quantities of first-class mail were not delivered on time. For example, from November 1, 1972, through June 11, 1973, about 3.9 million pieces of first-class mail were delayed. Although a 1-day delay in delivery may not be important to--or even noticed by--some mailers, it could cause hardships for persons waiting for pension checks and financial losses for recipients if the mail concerned financial transactions.

Denver postal officials said that much of the delayed mail was caused by tight transportation schedules when even a slight delay might cause the mail to be delivered too late for dispatch within the service standard and processing problems when large volumes of unsorted mail are on hand.

MISSENT MAIL

Mail sorted by letter sorting machines can be missent as the result of machine or operator errors. In addition, mail can be missent if employees put sorted mail in the wrong pouches or mislabel pouches.

The Denver office sent significant quantities of mail to the wrong destinations. In postal fiscal year 1973, mail missent as the result of letter sorting machine errors totaled 16.2 million pieces--or about 2.2 percent of the total volume of machine-sorted mail.

The Postal Service has developed a device for checking the performance of letter sorting machines which determines (1) machine errors and (2) operator errors. Operators who have high error rates could receive additional training. Because the machine's error rate is at least 1 percent, it is questionable whether the Postal service will succeed in reducing the error rate experienced in machine sorting to that

experienced in manual sorting--estimated by postal officials to be 1 percent or less.

CUSTOMER COMPLAINTS

From February to May 25, 1973, the Denver office received 5,723 complaints, of which about 41 percent dealt with lost mail and 34 percent dealt with delayed mail. Postal officials had reviewed 5,529 of the complaints and had determined that 42 percent of the complaints resulted from lost mail, 4 percent from carrier errors (e.g., delivery to the wrong addresses), 1 percent from processing errors, and 47 percent from numerous other errors; they were unable to determine the causes for the remaining 6 percent of the errors.

Several reductions in collection and delivery services were possibly related to these complaints. From December 1972 through April 1973, the Denver office reduced collections at city drop boxes made after 6:30 p.m. by 50 percent and collections made after 5 p.m. by 25 percent. In addition, 72 city collection boxes were removed. Since July 1971, 25 of the city's 91 business routes have been curtailed from 2 deliveries a day to 1.

EMPLOYEE MORALE

We obtained information on the status of labor/management relations in the Denver office--specifically whether employee morale was low and, if so, why--by interviewing officials of four postal employee unions. All of these officials agreed that morale was low.

We met with officials of the American Postal Workers Union, the National Association of Post Office Mailhandlers, the National Association of Postal Supervisors, and the National Association of Letter Carriers. These officials told us that the primary reasons for low morale were

- lack of personnel,
- excessive overtime,

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- poor grievance procedures,
- bad publicity; i.e., postal workers believed they had a poor image because of Postal Service problems, and
- implementation of the Job Evaluation Program¹ under which many supervisory positions had been downgraded.

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Denver postal officials generally agreed with our findings. We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,



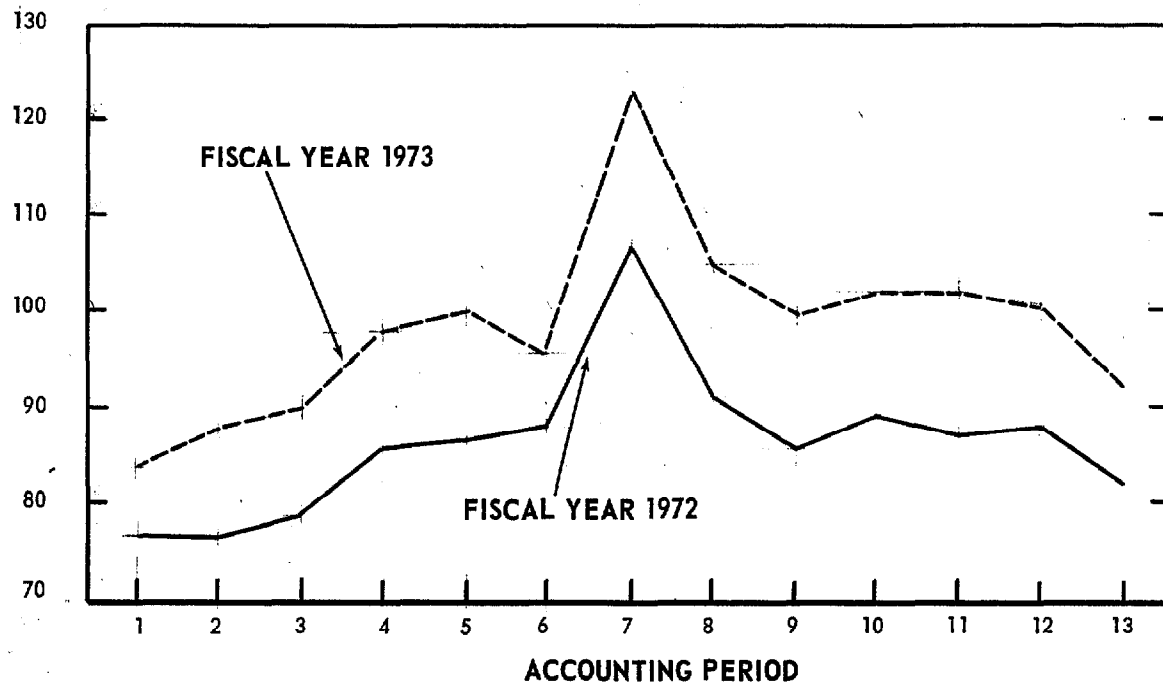
Comptroller General
of the United States

Enclosures - 11

¹A study of all Postal Service jobs with the intention of making postal pay equal to the pay for comparable skills in private industry.

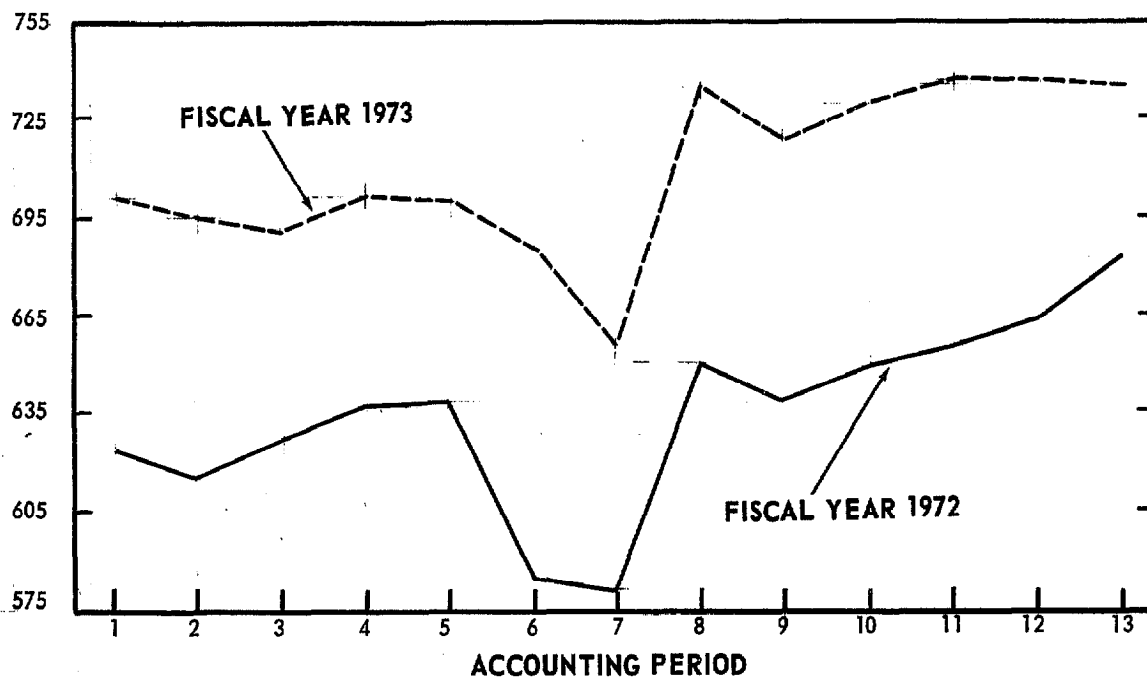
MAIL VOLUME- DENVER POST OFFICE

MILLIONS OF PIECES



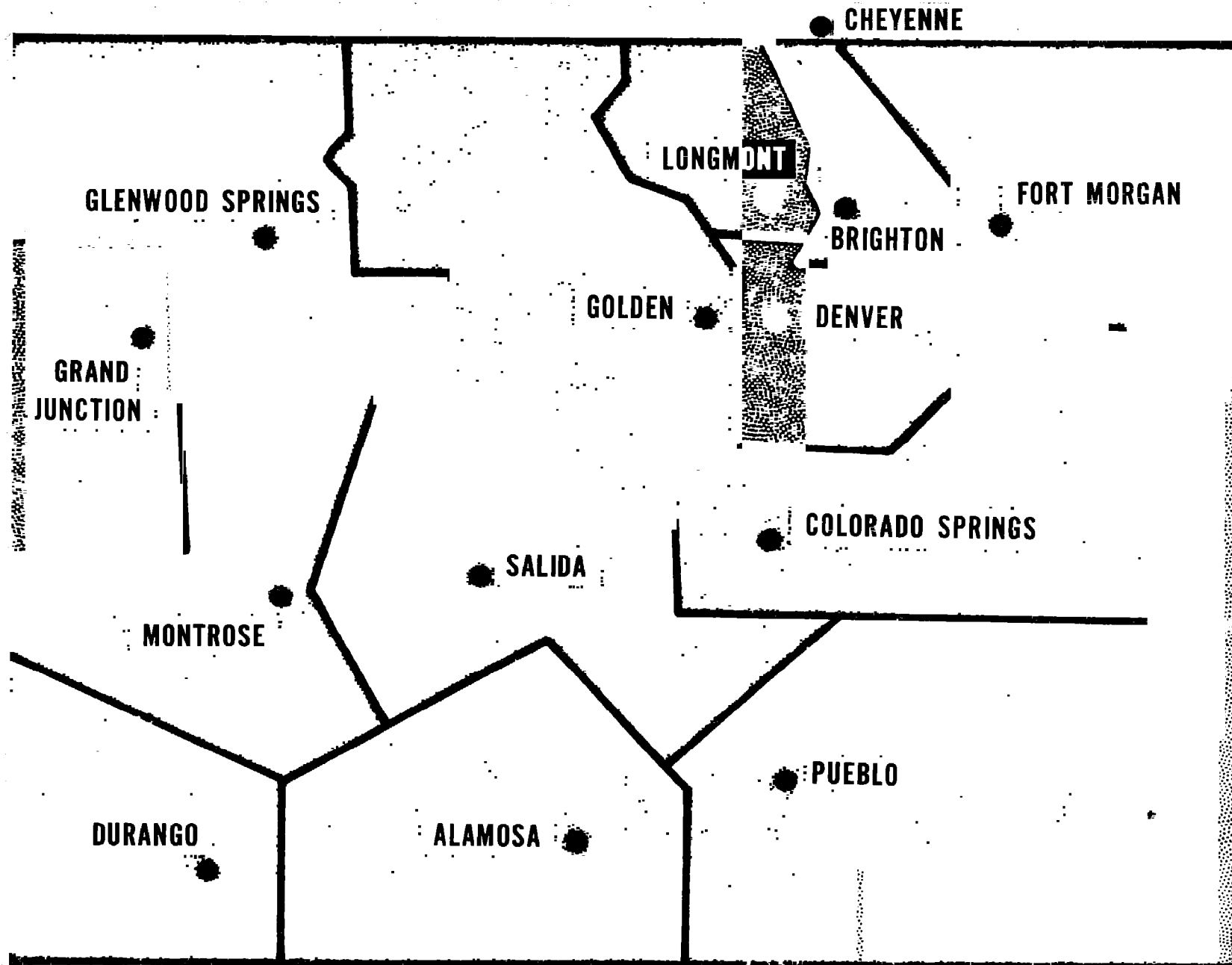
PRODUCTIVITY MEASUREMENT FOR DENVER POST OFFICE

PIECES HANDLED PER MANHOUR



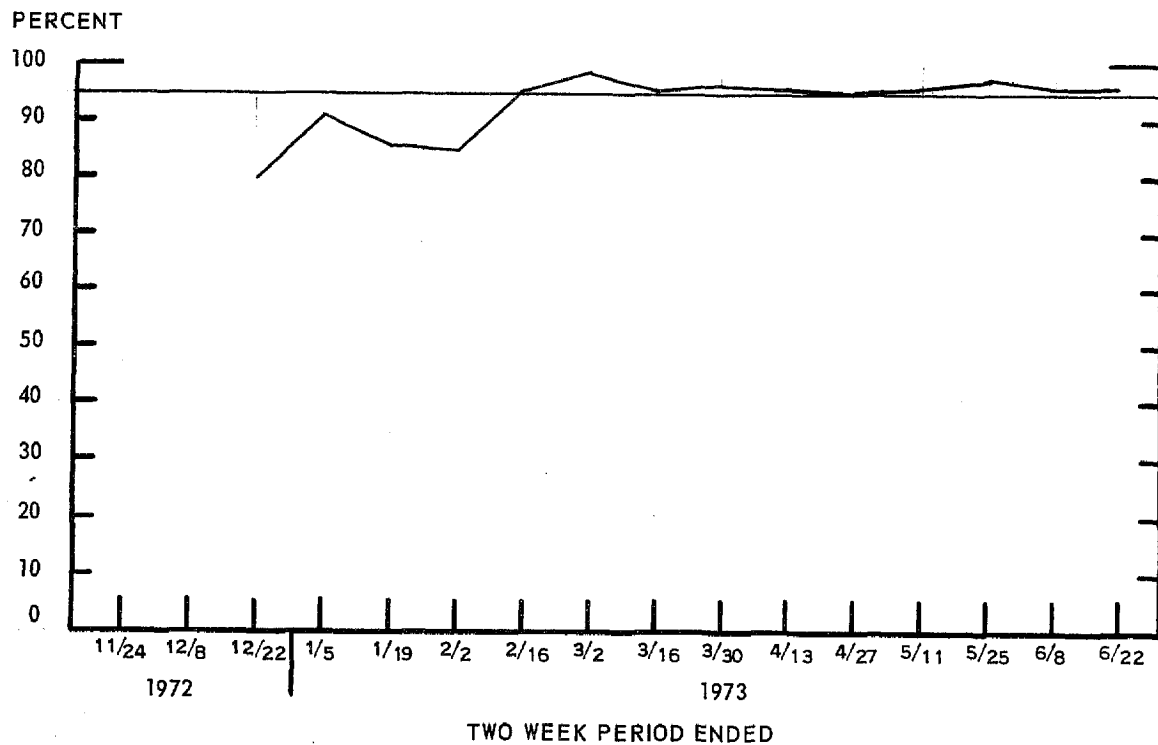
SERVICE STANDARDS	
BEFORE REORGANIZATION	AFTER REORGANIZATION
NONE	FIRST CLASS OVERNIGHT: INTRA-SCF & ADJOINING SCF S DESIGNATED LOCALLY SECOND DAY: 6 00 MILES THIRD DAY: NATIONWIDE
	AIRMAIL OVERNIGHT: 600 MILES PLUS DESIGNATED AREAS SECOND DAY: NATIONWIDE CONTIGUOUS STATES

GUARANTEED OVERNIGHT DELIVERY AREAS DENVER

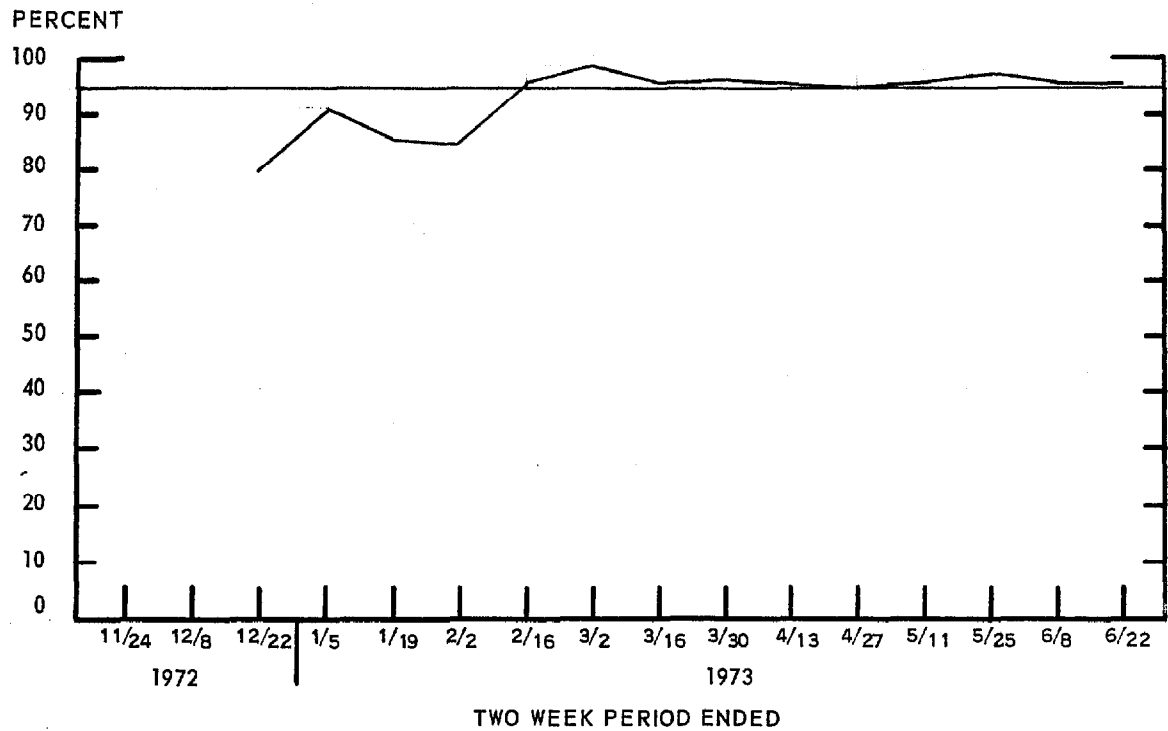


ENCLOSURE IV

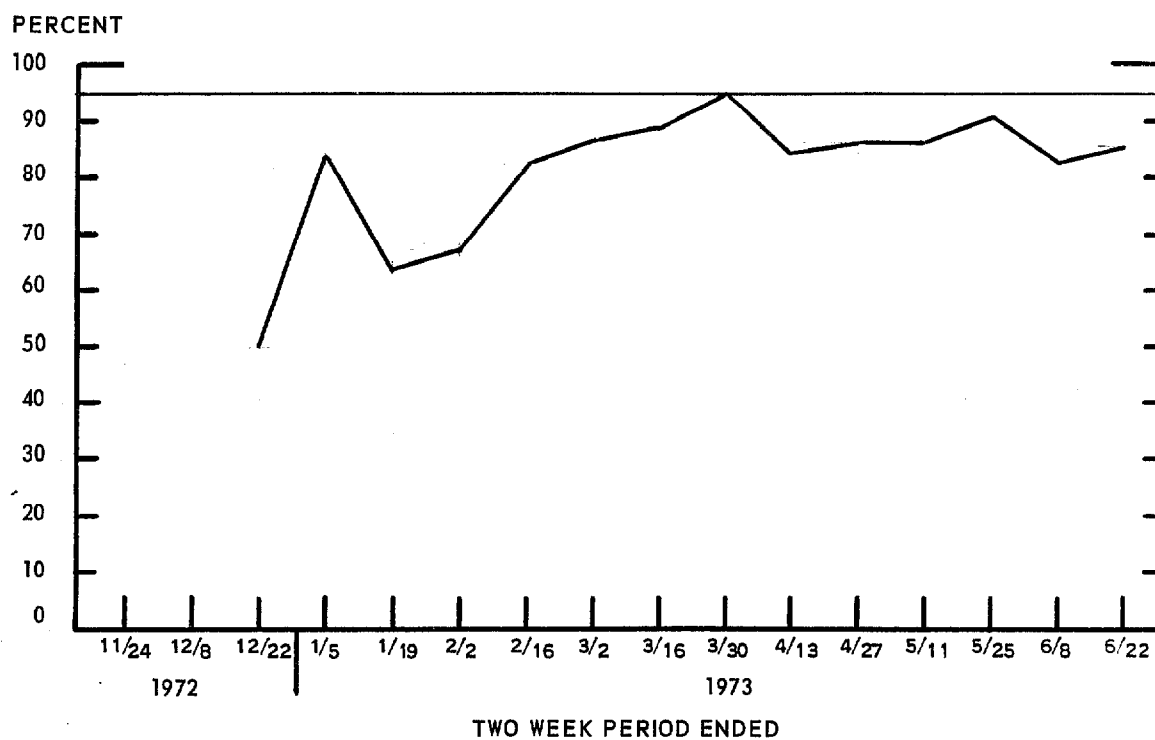
PERCENTAGE OF MAIL DELIVERED OVERNIGHT
TO LOCAL AND INTRA-SCF AREAS FROM: DENVER



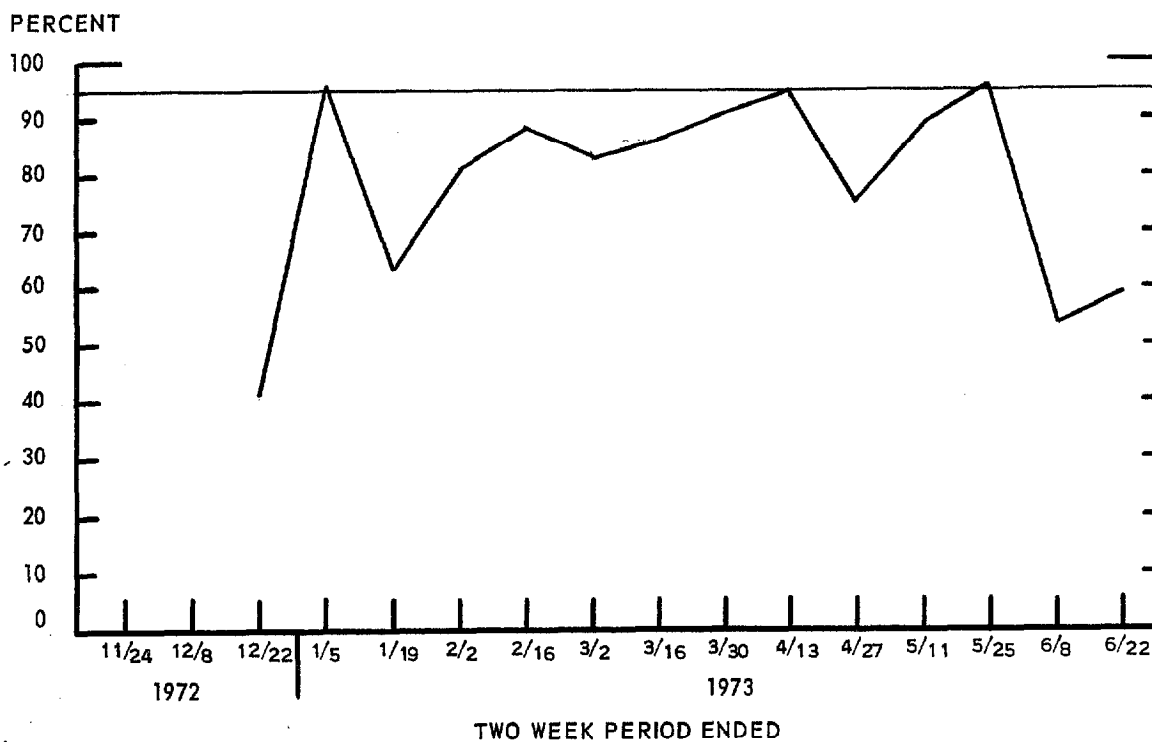
**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM LOCAL AND INTRA-SCF AREAS TO: DENVER**



PERCENTAGE OF MAIL DELIVERED OVERNIGHT
TO INTER-SCF AREAS FROM: DENVER



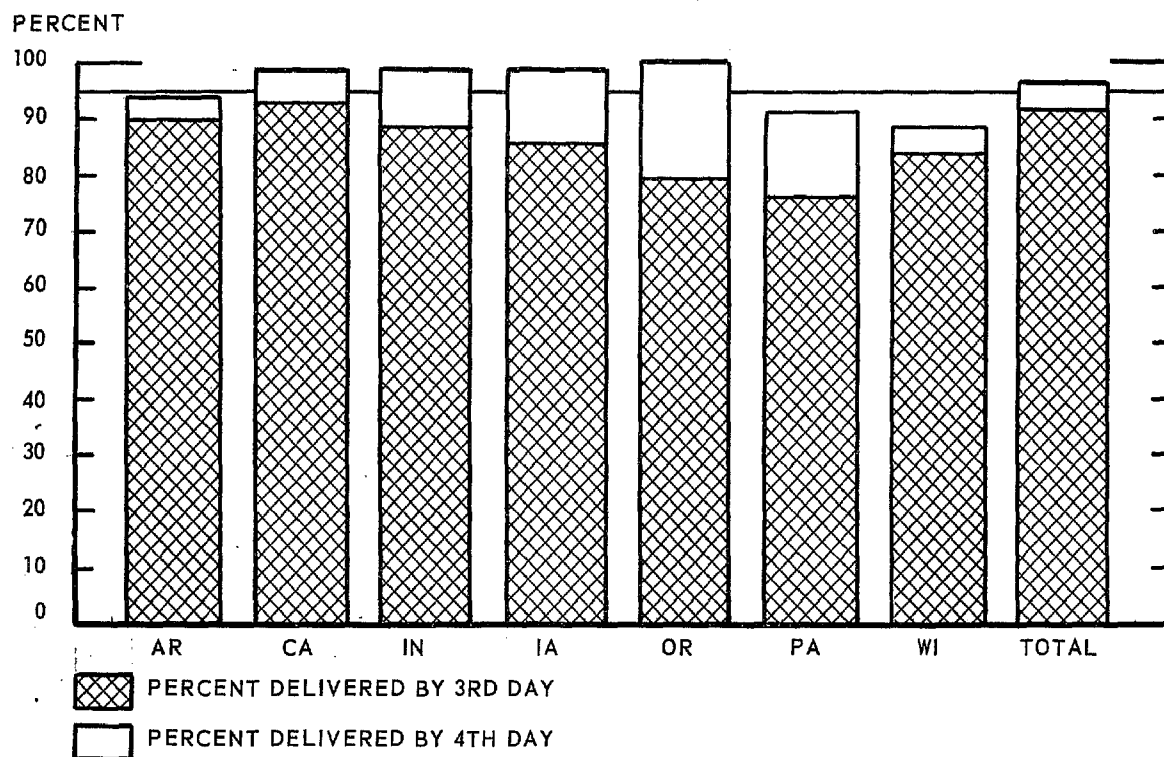
PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM INTER-SCF AREAS TO: DENVER



**PERCENT OF MAIL DELIVERED FROM DENVER
TO TWO DAY STANDARD DESTINATION AREAS
(5/26/73 - 6/22/73)**



**PERCENT OF MAIL DELIVERED FROM DENVER
TO THREE DAY DESTINATION STATES (5/26/73 - 6/22/73)**



**CUSTOMER COMPLAINTS
FEBRUARY 3 - MAY 25, PFY 1973**

THOUSANDS

